

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

March 4, 2003

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**FROM:** GARY PENROD, Sheriff  
Sheriff's Department

**SUBJECT: CONTRACT WITH GAMBRO HEALTHCARE, INC. AND LEONARD SHAPIRO, M.D. TO PROVIDE ON-SITE RENAL DIALYSIS AND NEPHROLOGY SERVICES.**

**RECOMMENDATION:**

1. Approve three-year contract with Gambro Healthcare, Inc. and Leonard Shapiro, M.D. to provide on-site renal dialysis and nephrology services to inmates housed at West Valley Detention Center, in an amount not to exceed \$900,000.
2. Authorize increase in appropriations and revenue, in the amount of \$147,000, to the Sheriff's Department Budget for FY02/03 as detailed under Financial Impact, below. (Four votes required.)

**BACKGROUND INFORMATION:** State law requires counties to provide medical care and treatment to inmates housed at County detention facilities. On June 11, 2002 the Board of Supervisors approved issuance of RFP No. SHR02-03 for detention facility on-site renal dialysis services. The Purchasing Department posted the RFP on the County's website and the Sheriff's Department contacted four known dialysis vendors. One vendor, Gambro Healthcare, Inc., submitted a proposal on or before the RFP deadline of July 15, 2002.

The Department's evaluation committee, consisting of three representatives from the Sheriff's Department and a representative from County Purchasing reviewed and evaluated the proposal received. Gambro was determined to be the successful vendor as it met all the requirements of the proposal and was the only respondent to the RFP.

Gambro (formerly Century Dialysis Corporation) is the current vendor and provides on-site renal dialysis services for \$500 per treatment, which includes the nephrologist's fee. Under the terms of the proposed contract, Gambro will provide dialysis services for \$500 per treatment; but this amount no longer includes Dr. Shapiro's fee for nephrology services. Dr. Shapiro will continue to provide the on-site nephrology services for a fee of \$25 per hemodialysis treatment and/or peritoneal dialysis day. The Department is recommending the Board of Supervisors approve a contract with Gambro Healthcare, Inc. and Leonard Shapiro, M.D. in an amount not to exceed \$900,000 over a three-year period. The number of inmates requiring dialysis varies widely from year to year. Expenditures for dialysis services for FY00/01 were \$229,900, FY01/02 were \$89,000 and FY02/03 year-to-date are \$135,000. Of these costs, 50% - 60% is reimbursed by the United States Marshals Service (USMS) under the County's contract (96-880) for housing of federal prisoners.

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**BOARD OF SUPERVISORS****CONTRACT WITH GAMBRO HEALTHCARE, INC. AND LEONARD SHAPIRO, M.D. TO PROVIDE ON-SITE RENAL DIALYSIS AND NEPHROLOGY SERVICES.****March 4, 2003**

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This contract will commence upon approval by the Board of Supervisors and terminate on December 31, 2005. The Sheriff's Department, in conjunction with County Counsel, has been participating in ongoing negotiations with Gambro Healthcare, Inc. and Leonard Shapiro, M.D. to finalize the contract language. The contract is being submitted to the Board at the first available Board date after completion of contract negotiations and the review process.

**REVIEW BY OTHERS:** This item has been reviewed and approved as to form by County Counsel (Kevin L. Norris, Deputy County Counsel) on January 13, 2003; and has been reviewed by County Purchasing Department (Aurelio W. De La Torre, Director) on February 12, 2003 and the County Administrative Office (Mario Lara, Administrative Analyst) on February 21, 2003.

**FINANCIAL IMPACT:** This contract provides for compensation on a fee-for-service basis. The annual cost of this contract is not expected to exceed \$300,000, of which 50% - 60% is recovered through the County's contract with the USMS. The on-going cost for renal dialysis for county inmates was included in the Sheriff's Department Budget for FY02-03; however, the Sheriff's Department underestimated the services to be required by the USMS for federal inmates. From July through December 2002, the Sheriff's Department has billed the USMS \$79,500 for dialysis services, well in excess of the total amount billed to the USMS, of \$12,000, for the entire year of FY01/02. The Sheriff's Department is requesting additional appropriations and revenue, in the amount of \$147,000, to offset this unanticipated expenditure. Requested increases in appropriations and revenue to the Sheriff's Department Budget for FY02/03 are as follows:

|             |     |      |                             |           |
|-------------|-----|------|-----------------------------|-----------|
| AAA-SHR-780 | 200 | 2445 | Professional Services       | \$147,000 |
| AAA-SHR-SHR |     | 9145 | Governmental Agency Revenue | \$147,000 |

If this contract is approved, the estimated costs for 2003-04, 2004-05, and 2005-06 will be accommodated within the respective Sheriff Department's Proposed budgets without requiring an increase in Local Cost funding to the Sheriff Department operation.

**COST REDUCTION REVIEW:** The County Administrative Office has reviewed this agenda item and concurs with the department's proposal and recommends this action based on the on-going need and legal requirement to provide medical treatment to inmates housed at County detention facilities. Transporting inmates to an off site hospital or alternate facility would result in additional costs and risks associated with transportation, coordination, and supervision of inmates in a less secure environment.

**SUPERVISORIAL DISTRICT(S):** All

**PRESENTER:** Kathy Wild, Health Services Administrator, 387-3637

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